NUEXCO

NUEXCO MONTHLY REPORT
January 1990, No. 257

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EXECUTIVE SUMMARY
(All data as of December 31, 1989)

Exchange Value
$9.00, down $0.20

The **Exchange Value** is **$9.00** per pound U_3O_8, down $0.20 from last month.

UF_6 Value
$26.50, down $1.25

The **UF_6 Value** is **$26.50** per kg U as UF_6, down $1.25 from last month.

Uranium Sales; Supply and Demand

Nine recent **natural uranium** sales and **one enriched uranium product** sale is reported, involving approximately **2.0 million** pounds equivalent U_3O_8. Eight of these sales involved spot or near-term delivery and met the conditions for inclusion in the Transaction Value. Active spot and near-term **uranium supply** amounts to **4.8 million** pounds U_3O_8 equivalent, down approximately 3.5 million pounds since last month. Active spot and near-term **uranium demand** totals **1.8 million** pounds, down about 900 thousand pounds from last month. The spot and near-term **supply-demand ratio,** at **2.8 to 1,** fell from last month's ratio of 3.1 to 1.

Transaction Value
$9.40, down $0.15

The **Transaction Value** is **$9.40** per pound U_3O_8, down $0.15 from last month. The calculation includes 21 transactions involving a total of approximately 4.2 million pounds U_3O_8 equivalent and covers a period of three months.

Loan Rate
3.5%, unchanged

The **Loan Rate** is **3.5 percent** per annum, unchanged. Three natural uranium loans are reported.

Conversion Value
$1.65, down $0.10

The **Conversion Value** is **$1.65** per pound U as UF_6, down $0.10 since last month. No transactions for conversion services are reported.

SWU Value
$54, down $3

The **SWU Value** dropped $3 to **$54** per SWU. One enrichment sale is reported involving EUP. Active supply declined to 730 thousand SWU, while active demand remained at 400 thousand SWU.

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***New York Times* Supports Nuclear Power**

The *New York Times*, in a surprising editorial dated December 12, called for the revival of the US nuclear power industry. For your interest, we have reprinted the full editorial on page 13.

1989 Nuclear Fuel Industry Developments

NUEXCO has compiled and expanded its monthly recap of industry developments to provide an overview of many major developments affecting the nuclear fuel market in 1989. We hope you will find this review helpful.

Uranium Loans

Beginning next month, NUEXCO's historical market data section, which follows our feature articles, will include historical NUEXCO Loan Values. Accordingly, this month we discuss the uranium loan market, and present historical NUEXCO Loan Values on page 17.

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NUEXCO REPORT 257 FIGURES OF THE MONTH (December 31, 1989)	This Month (Report 257)	Last Month (Report 256)	12 Months Ago (Report 245)
Exchange Value ($US per pound U_3O_8)	9.00	9.20	11.75
US Premium for the Exchange Value ($US per pound U_3O_8)	—	—	—
UF_6 Value ($US per kg U as UF_6)	26.50	27.75	35.50
US Premium for the UF_6 Value ($US per kg U as UF_6)	—	—	—
Transaction Value ($US per pound U_3O_8 equivalent)	9.40	9.55	12.50
Loan Rate (Per Annum)	3.5%	3.5%	3.5%
Conversion Value ($US per pound U as UF_6)	1.65	1.75	1.95
Near-Term Uranium Supply[1] (millions of pounds U_3O_8)	4.8	8.3	8.1
Near-Term Uranium Demand[2] (millions of pounds U_3O_8)	1.8	2.6	2.4
Near-Term Supply-Demand Ratio	2.8	3.1	3.3
Recent Uranium Sales:[3]			
Number of Transactions	10	8	13
Quantity of Material (Millions of pounds U_3O_8 equivalent)	2.0	2.2	3.3
Nuexco SWU Value: ($US per SWU)[5]			
at 0.3 tails assay	54	57	65
US DOE SWU Prices: ($US per SWU)			
USEC	118.00[4]	118.00[4]	117.00[9]
AFC	153.00[6]	153.00[6]	153.00[6]
Requirements	157.00[6]	157.00[6]	157.00[6]
Incentive Price	90.00[7]	90.00[7]	90.00[7]
Market Value of Enriched UF_6[8]: ($US per kg U as UF_6)			
2.5 w/o U_{235}	282	294	352
3.0 w/o U_{235}	363	379	453
3.5 w/o U_{235}	446	465	555
4.0 w/o U_{235}	529	552	658

[1]Active inquiries to sell, for delivery within 12 months after contract signing.
[2]Active inquiries to purchase, for delivery within 12 months after contract signing.
[3]Uranium sales only; does not include loans, conversion, or SWU transactions.
[4]Provisional price for DOE fiscal year 1990.
[5]Effective since 10/1/86.
[6]Effective since 10/1/84.
[7]Effective since 10/1/86, for up to 30% of annual requirements.
[8]Calculated using the NUEXCO Exchange Value, Conversion Value, SWU Value and 0.30 percent tails assay.
[9]Effective since 10/1/87 to 9/31/89.

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